

SELLING AND DONATING TO FOOD BANKS

DIRECT MARKETING STRATEGIES



There is growing interest in fostering direct connections between local farmers and food banks and the emergency food system. Emergency food providers are seeking out fresh produce and other local foods for their clients, while small and direct marketing farms appreciate being able to donate or sell their products to food banks. Washington's emergency food network includes over 500 food banks, community food pantries, meal programs, and tribal organizations. Spanning every part of the state, these programs provided essential food and nutritional assistance to 1.15 million Washington residents in 2018.

The Washington State Department of Agriculture's Food Assistance program works with an emergency food system composed of over 500 regional food banks, community food pantries, meal programs and tribal organizations. WSDA's Food Assistance program's resources account for nearly \$2 million in retail food purchases annually. In order to help connect farms and emergency food providers, Food Assistance's Farm to Food Pantry initiative targeted over \$160,000 specifically for farm direct purchases between 2014 and 2019.

This fact sheet includes information on:

- Opportunities for farmers
- Emergency food providers

Opportunities for Farmers

There are a variety of opportunities for farms to sell and/or donate to the emergency food providers, depending on the volume and types of products they have to offer. Many emergency food providers are engaged in healthy food initiatives, focusing on increasing healthier food options available to their clients. Regional food banks, small neighborhood pantries, and meal programs (e.g., soup kitchens serving hot meals) may be interested in purchasing fresh farm products in different ways. Regional food banks supply many smaller food pantries and have the ability to purchase larger quantities with more money, greater storage, and facilities that are better suited for pallets, bins, or truckloads of produce. Small neighborhood pantries and meal programs typically have limited cold storage capacity, but may be able

to make regular, smaller purchases of particular items that they can get out to the local community quickly. To meet the needs of their clients, some food pantries may seek specific produce varieties that can be difficult to source through the more conventional emergency food suppliers. This is also true when sourcing ethnically and culturally appropriate foods that are not typically available from sources focused on major commodities.

WSDA's Farm to Food Pantry Initiative

WSDA Food Assistance programs' Farm to Food Pantry initiative is designed to connect farms to the emergency food network, bridging barriers between farms and hunger relief agencies.

Working in partnership with Rotary First Harvest, Farm to Food Pantry provides funding so that food pantries can buy fresh produce and other foods directly from farms.

The Farm to Food Pantry funding is matched by community funds, furthering the sales opportunity for farms and local purchasing for food banks. Through this initiative, emergency food providers can purchase from farms in several ways, including pre-planting and pre-harvest contracting and in-season, wholesale purchasing from a farm's fresh sheet.



Farms that participate in the Farm to Food Pantry initiative are able to brand their farm or products with a special "Farm to Food Pantry" seal and receive a placard highlighting their participation. While this initiative has limited funding and availability, in 2019, the program was operating in 21 counties. To learn more about this initiative search for Farm to Food Pantry on the WSDA website.

Selling Directly to Food Banks

WSDA's Food Assistance program has tools that can help farms connect with their local emergency food provider. Farmers can search for "food pantries" by region in the online database of social services on the Washington 211 website, win211.org. A list of lead agencies contracted with WSDA's Food Assistance programs is available by searching for "Access Food Near You" on the WSDA website, agr.wa.gov. When contacting these emergency food providers, farmers should be prepared with a price list, such as a fresh sheet.

Donating Products to Food Banks

Farms can donate produce to local food banks and pantries in a variety of ways. Gleaning programs which organize volunteers to harvest seconds or designated produce on farms is a long-held tradition. Gleaning programs typically report the number of pounds of produce collected from a particular farm.

In some cases, farms may want to solicit donations from their customers. For example, individuals may make cash or other donations so that Community Supported Agriculture (CSA) shares go to a local food pantry. In other cases, a CSA share that is not picked up at a delivery site within operating hours can be donated to food banks. Many farmers markets work closely with local food banks to collect donated produce, baked goods, and other food from market vendors at the end of the day. For example, in 2017, vendors selling at the Neighborhood Farmers Markets in Seattle donated over 37,000 pounds to the U-District Food Bank.

Some tax benefits to donating to the emergency food system include:

- **Washington State:** Goods donated to nonprofit organizations such as food pantries without any intervening use are not subject to retailing B&O tax or sales tax, nor does the donor owe use tax on the value of the food. Documentation must be maintained verifying the donation (RCW 82.12.02595).
- **Federal:** As of 2015, all for-profit farms can claim a deduction on their federal income taxes when donating food to a charitable organization. This deduction equals the tax basis for food (cost to produce), plus one-half of the appreciation (fair market value minus the tax basis), or twice the tax basis, whichever is less. The deduction cannot exceed 15 percent of the farm's net income, and charitable contributions cannot offset more than

50 percent of the farmer's adjusted gross income. Documentation must be maintained verifying the donation. The Natural Resource Defense Council has developed a useful farmer's guide about this update to federal tax law available on their website, nrdc.org. Search for "Tax deduction for food donation".

Regulations for Donating Farm Products

Washington State law (RCW 69.80.031) offers responsible food donors protection from criminal and civil liability if the donated food is "apparently wholesome." This means that the donor knows the food has been handled in accordance with all food safety standards.

In addition to produce, other farm fresh products can also be donated to the emergency food system. WSDA has created a series of Donation Guides for a variety of these products, including livestock, poultry, eggs in the shell, and exotic meat. The donation guides are available on the WSDA website. Search for "donations guide" and the product type.

Benefits of Selling to Food Banks, Food Pantries, and Meal Programs

- Opportunity to sell seconds or non-standard produce in larger quantities.
- Opportunity for direct market farmers to test out selling to wholesale customers with less risk.
- Opportunity for annual contracting or custom growing.
- Possibility for a long-term buying relationship.
- Being able to tap into an established regional transportation network.
- Can be an outlet when production exceeds other market opportunities.
- Positive PR and increased visibility about how farms are contributing to their community.
- Use of the Farm to Food Pantry seal (if part of the program).
- Direct connection to increasing food insecure families' access to high quality, local produce.

Challenges of Selling to Food Banks, Food Pantries, and Meal Programs

- Emergency food providers may have a limited capacity for perishable products.
- Farm may incur delivery costs or require time away from the farm to make deliveries.
- Wholesale pricing may be lower than other direct market channels.
- Emergency food providers may have limited and inconsistent financial resources.
- Emergency food providers may experience high turnover of staff and volunteers.
- Emergency food providers typically have irregular hours with limited staff/volunteer availability.

Emergency Food Providers

The following organizations work with local food banks, pantries, and meal programs on a regional or statewide scale.

Feeding Washington

feedingwashington.org
509-252-6259

Food Lifeline

foodlifeline.org
206-545-6600

2nd Harvest of the Inland Northwest

2-harvest.org
509-534-6678

Northwest Harvest

northwestharvest.org
Eastern Washington, 509-317-7061
Western Washington, 800-722-6924

Rotary First Harvest

firstharvest.org
206-236-0408

Washington Food Coalition

wafoodcoalition.org
206-729-0501

To contact regional emergency food providers that receive funding through WSDA, please contact the WSDA Food Assistance programs at foodassistance@agr.wa.gov or 360-725-5640. To learn more about programs and other donation guides please visit the Food Assistance programs on the WSDA website, agr.wa.gov



5. Licensing

9. Insurance

15. Selling to Grocery Stores and Food Co-ops

17. Selling to Schools and Other Institutions